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April 3, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

Re: D.T.E. 00-70 — Standard Offer Service Fuel Adjustment – Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company

Dear Secretary Cottrell:

Boston Edison Company ("Boston Edison"), Cambridge Electric Light Company ("Cambridge") and Commonwealth Electric Company ("Commonwealth", together, "NSTAR Electric") hereby submit for approval the following tariffs designed to establish a Standard Offer Service Fuel Adjustment ("SOSFA") of 0.902 cents per kilowatt-hour ("kWh"), for effect May 1, 2003:

Boston Edison Company – M.D.T.E. No. 102A, Standard Offer Service

Cambridge Electric Light Company – M.D.T.E. No. 202A, Standard Offer Service

Commonwealth Electric Company – M.D.T.E. No. 302A, Standard Offer Service.

Also enclosed is the filing fee of \$45 for the three tariffs.

On December 4, 2000, the Department of Telecommunications and Energy (the "Department") approved the implementation of a SOSFA for electric companies in Massachusetts. Standard Offer Service Fuel Adjustments, D.T.E. 00-66, 00-67, 00-70 (2000) (the "SOSFA Order"). In the SOSFA Order, the Department adopted a SOSFA surcharge calculation "using the most recently available twelve months of data...". *Id.* at 15. In accordance with the SOSFA Order, NSTAR Electric implemented a SOSFA of 1.321 cents per kWh, effective January 1, 2001. The SOSFA was increased to 2.551 cents per kWh beginning July 1, 2001 and then reduced to 1.426 cents per kWh on January 1, 2002. The SOSFA was reduced to zero on April 1, 2002. As described below,

the recent increases in the price of gas and oil has resulted in a SOSFA of 0.902 cents per kWh, based on data as of March 31, 2003.

It should be noted that the tariffs also include a new provision that is designed to address a circumstance uniquely affecting residential low-income customers. In accordance with the terms of G.L. c. 164, § 1F(4)(iii), residential low-income customers are able to move between Standard Offer Service and Default Service. Upon the implementation of the proposed SOSFA rate, the total generation rate for Standard Offer Service will exceed the six-month Default Service rate presently in effect. Accordingly, in order to ensure that low-income customers receive the lowest available NSTAR Electric rate to which they are eligible, the tariffs include a provision that will limit the SOSFA for residential low-income customers to a rate such that the total Standard Offer Service rate for those customers will not exceed the applicable Default Service rate.¹

In support of this filing are two exhibits. Exhibit 1 is the calculation of the SOSFA as of March 31, 2003. The format of Exhibit 1 is the same as that filed previously to support the SOSFA calculation. As shown in Exhibit 1 the Market Gas Price is \$4.3056/MMBtu, the Market Oil Price is \$4.1730/MMBtu and the resulting Fuel Adjustment factor is 1.192. When this factor is multiplied by the base Standard Offer Service rate of 4.7 cents per kWh, the Standard Offer Service charge is increased by 0.902 cents per kWh.

Exhibit 2 shows the most recent projection of deferrals for NSTAR Electric. As shown in Exhibit 2, if the SOSFA is implemented on May 1, 2003,² the total deferrals for NSTAR Electric are projected to exceed \$133 million at year end, and there will be no over-recovery of standard offer costs.³

¹ NSTAR Electric is proposing this approach rather than actually shifting such residential low-income customers to the Default Service rate in order to minimize customer confusion and avoid undo complications with regard to wholesale suppliers and ISO reporting requirements. In addition, new Default Service rates will be proposed beginning July 1, 2003, which might result in rates higher than Standard Offer Service rates, thus necessitating the return of residential low-income customers to Standard Offer Service at that time (and resulting in additional customer confusion). NSTAR Electric's proposal to limit the SOSFA for residential low-income customers will ensure that they receive the benefit of the lower rate without changing generation service.

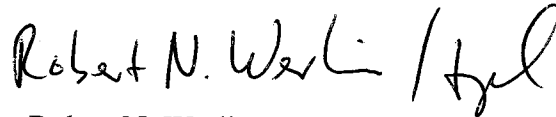
² For purposes of this calculation, a SOSFA of 0.902 cents per kWh is assumed to be in effect for the remainder of the calendar year for Cambridge and Commonwealth, but remain in effect until September for Boston Edison. The size of the SOSFA and period for which it will be in effect during the remainder of the year will be dependent on prices for oil and gas, as well as the magnitude of deferrals experienced by Companies.

³ NSTAR Electric has included deferrals for Standard Offer Service and Default Service, as well as Transition and Transmission charges, in portraying its deferral status because of the interrelationship among many of the accounts. For instance, the imposition of the SOSFA can

Mary L. Cottrell, Secretary
Standard Offer Service Fuel Adjustment
D.T.E. 00-70
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Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Robert N. Werlin" followed by a stylized flourish.

Robert N. Werlin

Enclosures

cc: Caroline O'Brien, Hearing Officer
Ronald LeComte, Director, Electric Power Division
Kevin Brannelly, Director, Rates and Revenue Requirements Division
Paul Afonso, General Counsel
Joseph Rogers, Assistant Attorney General
David O'Connor, Commissioner

help reduce the Transition Cost deferral when pre-restructuring, purchased-power contracts are used to provide Standard Offer Service.

D.T.E. 00-70
Boston Edison Company
Tariff
M.D.T.E. No. 102A

STANDARD OFFER SERVICE

DEFINITIONS

"Competitive Supplier" shall mean any entity licensed by the M.D.T.E. to sell electricity to retail Customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Standard Offer Service and Default Service to its distribution Customers, and (2) a municipal light department that is acting as a Distribution Company.

"Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.

"Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.

"Default Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Standard Offer Service, in accordance with the provisions set forth in the Company's Default Service tariff, on file with the M.D.T.E.

"Distribution Company" or "Company" shall mean Boston Edison Company.

"Distribution Service" shall mean the delivery of electricity to Customers by the Distribution Company over lines that operate at a voltage level typically equal to or greater than 110 volts and less than 69,000 volts.

"Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Supplier.

"Low-income Customer" shall mean a Customer who meets the low-income eligibility qualifications as set forth in 220 CMR 11.04(5) approved by the M.D.T.E. for the Distribution Company.

"M.D.T.E." shall mean the Massachusetts Department of Telecommunications and Energy.

"Retail Access Date" shall mean March 1, 1998, unless otherwise determined by the M.D.T.E.

"Standard Offer Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Default Service, in accordance with the provisions set forth in this tariff and G.L. c. 164.

Issued by: Thomas J. May
President

Filed: April 3, 2003
Effective: May 1, 2003

STANDARD OFFER SERVICE

AVAILABILITY:

This Rate Schedule for Standard Offer Service is available to:

- A. Standard Offer Service shall be available to each Customer who was a Customer of Record as of the Retail Access Date and who has not received Generation Service from a Competitive Supplier since the Retail Access Date.**
- B. A Customer receiving Standard Offer Service shall be allowed to retain such service upon moving within the service territory of the Distribution Company.**
- C. A Customer who has previously received Generation Service from a Competitive Supplier is no longer eligible to receive Standard Offer Service, except that**
 - 1. A Low-income Customer may return to Standard Offer Service at any time, regardless of whether the Customer has previously received Generation Service from a Competitive Supplier;**
 - 2. A residential or small commercial and industrial Customer who has received Generation Service from a Competitive Supplier since the Retail Access Date is eligible to receive Standard Offer Service by so notifying the Distribution Company within one-hundred and twenty days (120) days of the date when the Customer first began to receive Generation Service from a Competitive Supplier, provided that such notification occurs during the first year following the Retail Access Date. There shall be no fee for returning to Standard Offer Service.**
- a) A Customer who moves into the Company's service territory after the Retail Access Date is not eligible to receive Standard Offer Service, except that a Low-income Customer who moves into the Company's service territory after the Retail Access Date shall be eligible for Standard Offer Service.**
- E. A Customer who notifies the Company of termination of Generation Service from a public aggregator within one-hundred and eighty (180) days of the date on which such service began shall be eligible to return to Standard Offer Service.**

Service under this rate to any Customer is subject to both the Company's printed requirements, the Company's Terms and Conditions – Distribution Service and the Company's Terms and Conditions – Competitive Suppliers, each as in effect from time to time.

**Issued by: Thomas J. May
President**

**Filed: April 3, 2003
Effective: May 1, 2003**

STANDARD OFFER SERVICE

APPLICABILITY:

Electricity delivered under this Rate Schedule shall be used solely by the Customer on the Customer's own premises for all purposes.

RATE:

The Standard Offer Charge shall consist of the following charge per kWh:

Effective January 1, 2003 4.950 cents per kilowatt-hour

The foregoing rate shall be adjusted in accordance with the provisions of the Customer Rate Fuel Adjustment and the Standard Offer Revenue Reconciliation Adjustments described below:

CUSTOMER RATE FUEL ADJUSTMENT:

The Standard Offer Charge in effect for a billing month is multiplied by a Fuel Adjustment that is set equal to 1.0 unless the Market Gas Price plus Market Oil Price for the billing month exceeds the Fuel Trigger Point then in effect, where:

Market Gas Price is the average of the values of Gas Index for the most recent available twelve (12) months through and including the billing month, where:

Gas Index is the average of the daily settlement prices for the last three days that the NYMEX Contract (as defined below) for the month of delivery trades as reported in the Wall Street Journal, expressed in dollars per MMBTU. NYMEX Contract shall mean the New York Mercantile Exchange Natural Gas Futures Contract as approved by the Commodity Futures Trading Commission for the purchase and sale of natural gas at Henry Hub;

Market Oil Price is the average of the values of Oil Index for the most available twelve (12) months through and including the billing month, where:

Oil Index is the average for the month of the daily low quotations for cargo delivery of 1.0% sulfur No. 6 residual fuel oil into New York harbor, as reported in Platt's Oilgram U.S. Marketscan in dollars per barrel and converted to dollars per MMBTU by dividing by 6.3;

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 President

Filed: April 3, 2003
Effective: May 1, 2003

STANDARD OFFER SERVICE

CUSTOMER RATE FUEL ADJUSTMENT: (continued)

If the indices referred to above should become obsolete or no longer suitable, the Distribution Company shall file alternate indices with the M.D.T.E..

Fuel Trigger Point is the following amounts, expressed in dollars per MMBTU, applicable for all months in the specified calendar year, with the final year extending from January 1, 2004 through February 28, 2005:

<u>Year</u>	<u>Fuel Trigger Point</u>
2000	\$5.35
2001	\$5.35
2002	\$6.09
2003	\$7.01
2004-5	\$7.74

In the event that the Fuel Trigger Point is exceeded, the Fuel Adjustment value for the billing month is determined according to the following formula:

$$\text{Fuel Adjustment} = \frac{(\text{Market Gas Price} + \$0.60/\text{MMBTU}) + (\text{Market Oil Price} + \$0.04/\text{MMBTU})}{\text{Fuel Trigger Point} + \$0.60 + \$0.04/\text{MMBTU}}$$

Where Market Gas Price, Market Oil Price and Fuel Trigger Point are as defined above. The values of \$0.60 and \$0.04/MMBTU represent for gas and oil respectively, estimated basis differentials or market costs of transportation from the point where the index is calculated to a proxy power plant in the New England market.

Incremental revenues received by the Company from the application of the Fuel Adjustment shall be fully allocated to Standard Offer Suppliers in proportion to the Standard Offer energy provided by a Supplier to the Company in the applicable billing month.

Effective May 1, 2003, the Standard Offer Service Fuel Adjustment Rate shall be:

\$0.00902 -per kilowatt-hour, provided, however, that the Standard Offer Service Fuel Adjustment for Rates R-2, shall be set at a level such that the total Standard Offer Charge (including the Standard Offer Service Fuel Adjustment) shall not exceed the Company's effective Default Service fixed price for the residential class.

Issued by: Thomas J. May
President

Filed: April 3, 2003
Effective: May 1, 2003

STANDARD OFFER SERVICE

STANDARD OFFER REVENUE RECONCILIATION ADJUSTMENTS:

The Company shall reconcile the revenues billed to Customers taking Standard Offer Service against payments to Suppliers of Standard Offer Service and recover or refund any under- or over collection in accordance with the following terms:

1. Any revenues billed by the Company for Standard Offer Service in excess of payments to Suppliers of that service shall be accumulated in an account and credited with interest calculated using the methodology for calculating interest on Customer deposits specified in the Company's Terms and Conditions - Distribution Service. The accumulated balance at the end of each calendar year shall be credited to all of the Company's retail Customers through a uniform cents per kilowatt-hour factor in the following year.
2. Standard Offer Rates may also be adjusted from time to time to reflect changes in the Standard Offer Service Fuel Index or to recover deferred costs that result from undercollection of expenses for Standard Offer Service as provided below. These adjustments shall be collected through the Standard Offer Surcharge as a uniform cents per kilowatt-hour surcharge on the prices for Standard Offer Service.

For any revenues billed by the Company that do not recover the Company's payments to suppliers or for any expenses the Company defers to meet the inflation cap established in Section LB.9 of the Settlement Agreement, the Company shall be authorized to accumulate the deficiencies together with interest and to recover those amounts by implementing a uniform cents per kilowatt-hour surcharge on the rates for Standard Offer Service, if and to the extent that the Transition Charges billed by the Company to its retail Customers are for any reason below the unadjusted Transition Charge listed in Attachment 3 of the Settlement Agreement. Under-recoveries, if any, that remain after the standard offer transition period ends shall be recovered from all retail Customers by a uniform surcharge to the Standard Offer not exceeding \$0.005 per kilowatt-hour commencing after such period.

Notwithstanding any other provisions, in the event the deferred costs under the Standard Offer at any time accumulate to an amount in excess of \$50 million, the Company shall be authorized to fully recover the amount of deferred costs in excess of \$50 million by filing with the Department a Standard Offer Surcharge. Such Standard Offer Surcharge will be designed to recover the deferred excess costs forecast for the next twelve (12) months on an annual basis and shall go into effect sixty (60) days following the filing with the Department.

Issued by: Thomas J. May
President

Filed: April 3, 2003
Effective: May 1, 2003

STANDARD OFFER SERVICE

STANDARD OFFER REVENUE RECONCILIATION ADJUSTMENTS: (continued)

The collection of deferred excess costs will be through a uniform cents per kWh surcharge to the Standard Offer until such time as the amount of energy consumed by retail Customers receiving Standard Offer Service reduces to 15 percent of the energy delivered to all retail Customers. At that point, the surcharge will be billed to all retail Customers through the delivery charge.

TERMINATION OF STANDARD OFFER SERVICE

Standard Offer Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of Generation Service by a Competitive Supplier is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions - Competitive Suppliers.

If the notice of initiation of Generation Service by the Competitive Supplier is received by the Company fewer than two (2) days before the Customer's next scheduled meter read date, Standard Offer Service shall be terminated concurrent with the Customer's subsequent scheduled meter read date.

There shall be no fee for terminating Standard Offer Service.

BILLING

Each Customer receiving Standard Offer Service shall receive one bill from the Company, reflecting unbundled charges for their electric service.

TERM

Standard Offer Service shall be available until February 28, 2005, unless otherwise approved by the M.D.T.E.

NOTICE

A notice will be filed with the M.D.T.E. setting forth the amount of the applicable Standard Offer Adjustment, the amount of the increase and the effective Standard Offer charge in the Company's rates as adjusted to reflect the new Standard Offer Adjustment amount. The notice shall further specify the effective date of such adjustment, which shall not be earlier than thirty days after the filing of the notice, or such other date as the M.D.T.E. may authorize.

Issued by: Thomas J. May
President

Filed: April 3, 2003
Effective: May 1, 2003

D.T.E. 00-70
Cambridge Electric Light Company
Tariff
M.D.T.E. No. 202A

STANDARD OFFER SERVICE

DEFINITIONS

"Competitive Supplier" shall mean any entity licensed by the M.D.T.E. to sell electricity to retail Customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Standard Offer Service and Default Service to its distribution Customers, and (2) a municipal light department that is acting as a Distribution Company.

"Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.

"Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.

"Default Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Standard Offer Service, in accordance with the provisions set forth in the Company's Interim Default Service or Default Service tariff, on file with the M.D.T.E.

"Distribution Company" or "Company" shall mean Cambridge Electric Light Company.

"Distribution Service" shall mean the delivery of electricity to Customers by the Distribution Company.

"Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Supplier.

"Low-income Customer" shall mean a Customer who meets the low-income eligibility qualifications as set forth in 220 C.M.R. 11.04(5) approved by the M.D.T.E. for the Distribution Company.

"M.D.T.E." shall mean the Massachusetts Department of Telecommunications and Energy.

"Retail Access Date" shall mean March 1, 1998.

"Standard Offer Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Default Service, in accordance with the provisions set forth in this tariff and G.L. c. 164.

**Issued by: Thomas J. May
 President**

**Filed: April 3, 2003
Effective: May 1, 2003**

STANDARD OFFER SERVICE

AVAILABILITY:

This Rate Schedule for Standard Offer Service is available as follows:

- A. Standard Offer Service shall be available to each Customer who was a Customer of Record as of the Retail Access Date and who has not received Generation Service from a Competitive Supplier since the Retail Access Date.
- B. A Customer receiving Standard Offer Service shall be allowed to retain such service upon moving within the service territory of the Distribution Company.
- C. A Customer who has previously received Generation Service from a Competitive Supplier is no longer eligible to receive Standard Offer Service, except that
 - 1. A Low-income Customer may return to Standard Offer Service at any time, regardless of whether the Customer has previously received Generation Service from a Competitive Supplier;
 - 2. A residential or small commercial and industrial Customer who has received Generation Service from a Competitive Supplier since the Retail Access Date is eligible to receive Standard Offer Service by so notifying the Distribution Company within one-hundred and twenty days (120) days of the date when the Customer first began to receive Generation Service from a Competitive Supplier, provided that such notification occurs during the first year following the Retail Access Date. There shall be no fee for returning to Standard Offer Service.
- D. A Customer who moves into the Company's service territory after the Retail Access Date is not eligible to receive Standard Offer Service, except that a Low-income Customer who moves into the Company's service territory after the Retail Access Date shall be eligible for Standard Offer Service.
- E. A Customer who notifies the Company of termination of Generation Service from a public aggregator within one-hundred and eighty (180) days of the date on which such service began shall be eligible to return to Standard Offer Service.

Service under this rate to any Customer is subject to the Company's printed requirements, the Company's Terms and Conditions - Distribution Service and the Company's Terms and Conditions - Competitive Suppliers, each as in effect from time to time.

Issued by: Thomas J. May
President

Filed: April 3, 2003
Effective: May 1, 2003

STANDARD OFFER SERVICE

APPLICABILITY:

Electricity delivered under this Rate Schedule shall be used solely by the Customer on the Customer's own premises for all purposes.

RATE:

The Standard Offer Charge shall consist of the following charge per kWh:

<u>Year</u>	<u>Charge</u>
1998	\$0.02800
1999	\$0.03500
2000	\$0.03800
2001	\$0.03800
2002	\$0.04200
2003	\$0.04700
2004-5	\$0.05100

The foregoing Rate shall be adjusted in accordance with the provisions of the Customer Rate Fuel Adjustment and the Standard Offer Revenue Reconciliation Adjustments described below:

CUSTOMER RATE FUEL ADJUSTMENT:

The Standard Offer Charge in effect for a billing month is multiplied by a Fuel Adjustment that is set equal to 1.0 unless the Market Gas Price plus Market Oil Price for the billing month exceeds the Fuel Trigger Point then in effect, where:

Market Gas Price is the average of the values of Gas Index for the most recent available twelve (12) months through and including the billing month, where:

Gas Index is the average of the daily settlement prices for the last three (3) days that the NYMEX Contract (as defined below) for the month of delivery trades as reported in the

Wall Street Journal, expressed in dollars per MMBTU. NYMEX Contract shall mean the New York Mercantile Exchange Natural Gas Futures Contract as approved by the Commodity Futures Trading Commission for the purchase and sale of natural gas at Henry Hub;

Issued by: Thomas J. May
President

Filed: April 3, 2003
Effective: May 1, 2003

STANDARD OFFER SERVICE

CUSTOMER RATE FUEL ADJUSTMENT: (continued)

Market Oil Price is the average of the values of Oil Index for the most available twelve (12) months through and including the billing month, where:

Oil Index is the average for the month of the daily low quotations for cargo delivery of 1.0% sulfur No. 6 residual fuel oil into New York harbor, as reported in Platt's Oilgram U.S. Marketscan in dollars per barrel and converted to dollars per MMBTU by dividing by 6.3;

If the indices referred to above should become obsolete or no longer suitable, the Distribution Company shall file alternate indices with the M.D.T.E.

Fuel Trigger Point is the following amounts, expressed in dollars per MMBTU, applicable for all months in the specified calendar year, with the final year extending from January 1, 2004 through February 28, 2005:

<u>Year</u>	<u>Fuel Trigger Point</u>
2000	\$5.35
2001	\$5.35
2002	\$6.09
2003	\$7.01
2004-5	\$7.74

In the event that the Fuel Trigger Point is exceeded, the Fuel Adjustment value for the billing month is determined according to the following formula:

$$\text{Fuel Adjustment} = \frac{(\text{Market Gas Price} + \$0.60/\text{MMBTU}) + (\text{Market Oil Price} + \$0.04/\text{MMBTU})}{\text{Fuel Trigger Point} + \$0.60 + \$0.04/\text{MMBTU}}$$

Where Market Gas Price, Market Oil Price and Fuel Trigger Point are as defined above. The values of \$0.60 and \$0.04/MMBTU represent for gas and oil respectively, estimated basis differentials or market costs of transportation from the point where the index is calculated to a proxy power plant in the New England market.

Issued by: Thomas J. May
President

Filed: April 3, 2003
Effective: May 1, 2003

STANDARD OFFER SERVICE

CUSTOMER RATE FUEL ADJUSTMENT: (continued)

Incremental revenues received by the Company from the application of the Fuel Adjustment shall be fully allocated to Standard Offer suppliers in proportion to the Standard Offer energy provided by a supplier to the Company in the applicable billing month.

Effective May 1, 2003, the Standard Offer Service Fuel Adjustment Rate shall be:

\$0.00902 -per kilowatt-hour, provided, however, that the Standard Offer Service Fuel Adjustment for Rates R-2 and R-4, shall be set at a level such that the total Standard Offer Charge (including the Standard Offer Service Fuel Adjustment) shall not exceed the Company's effective Default Service fixed price for the residential class.

STANDARD OFFER REVENUE RECONCILIATION ADJUSTMENTS:

The Company shall reconcile the revenues billed to Customers taking Standard Offer Service against payments to suppliers of Standard Offer Service and recover or refund any under- or over collection in accordance with the following terms:

1. Any revenues billed by the Company for Standard Offer Service in excess of payments to suppliers of that service shall be accumulated in an account and credited with interest calculated using the methodology for calculating interest on Customer deposits specified in the Company's Terms and Conditions - Distribution Service. The accumulated balance at the end of each calendar year shall be credited to all of the Company's retail Customers through a uniform cents per kilowatt-hour factor in the following year.
2. In the event that the revenues billed by the Company do not recover the Company's payments to suppliers or the Company defers such expenses, the Company shall be authorized to accumulate the deficiencies in the account together with interest calculated as above and recover those amounts by implementing a uniform cents per kilowatt-hour surcharge on the rates for Standard Offer Service, if and to the extent that the transition charges billed by the Company to its retail Customers are for any reason below the unadjusted transition charge as approved by the Department. Under-recoveries, if any, that remain after the Standard Offer Service period ends shall be recovered from all retail Customers by a uniform surcharge not exceeding \$0.004 per kilowatt-hour commencing after such period.

Issued by: Thomas J. May
President

Filed: April 3, 2003
Effective: May 1, 2003

STANDARD OFFER SERVICE

TERMINATION OF STANDARD OFFER SERVICE

Standard Offer Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of Generation Service by a Competitive Supplier is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions - Competitive Suppliers.

If the notice of initiation of Generation Service by the Competitive Supplier is received by the Company fewer than two (2) days before the Customer's next scheduled meter read date, Standard Offer Service shall be terminated concurrent with the Customer's subsequent scheduled meter read date.

There shall be no fee for terminating Standard Offer Service.

BILLING

Each Customer receiving Standard Offer Service shall receive one bill from the Company, reflecting unbundled charges for their electric service.

TERM

Standard Offer Service shall be available until February 28, 2005, unless otherwise approved by the M.D.T.E.

NOTICE

A notice will be filed with the M.D.T.E. setting forth the amount of the applicable Standard Offer Adjustment, the amount of the increase and the effective Standard Offer charge in the Company's rates as adjusted to reflect the new Standard Offer Adjustment amount. The notice shall further specify the effective date of such adjustment, which shall not be earlier than thirty days after the filing of the notice, or such other date as the M.D.T.E. may authorize.

Issued by: Thomas J. May
 President

Filed: April 3, 2003
Effective: May 1, 2003

D.T.E. 00-70
Commonwealth Electric Company
Tariff
M.D.T.E. No. 302A

STANDARD OFFER SERVICE

DEFINITIONS

"Competitive Supplier" shall mean any entity licensed by the M.D.T.E. to sell electricity to retail Customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Standard Offer Service and Default Service to its distribution Customers, and (2) a municipal light department that is acting as a Distribution Company.

"Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.

"Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.

"Default Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Standard Offer Service, in accordance with the provisions set forth in the Company's Interim Default Service or Default Service tariff, on file with the M.D.T.E.

"Distribution Company" or "Company" shall mean Commonwealth Electric Company.

"Distribution Service" shall mean the delivery of electricity to Customers by the Distribution Company.

"Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Supplier.

"Low-income Customer" shall mean a Customer who meets the low-income eligibility qualifications as set forth in 220 C.M.R. 11.04(5) approved by the M.D.T.E. for the Distribution Company.

"M.D.T.E." shall mean the Massachusetts Department of Telecommunications and Energy.

"Retail Access Date" shall mean March 1, 1998.

"Standard Offer Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving either Generation Service from a Competitive Supplier or Default Service, in accordance with the provisions set forth in this tariff and G.L. c. 164.

**Issued by: Thomas J. May
President**

**Filed: April 3, 2003
Effective: May 1, 2003**

STANDARD OFFER SERVICE

AVAILABILITY:

This Rate Schedule for Standard Offer Service is available to:

- A. Standard Offer Service shall be available to each Customer who was a Customer of Record as of the Retail Access Date and who has not received Generation Service from a Competitive Supplier since the Retail Access Date.**
- B. A Customer receiving Standard Offer Service shall be allowed to retain such service upon moving within the service territory of the Distribution Company.**
- C. A Customer who has previously received Generation Service from a Competitive Supplier is no longer eligible to receive Standard Offer Service, except that**
 - 1. A Low-income Customer may return to Standard Offer Service at any time, regardless of whether the Customer has previously received Generation Service from a Competitive Supplier;**
 - 2. A residential or small commercial and industrial Customer who has received Generation Service from a Competitive Supplier since the Retail Access Date is eligible to receive Standard Offer Service by so notifying the Distribution Company within one-hundred and twenty days (120) days of the date when the Customer first began to receive Generation Service from a Competitive Supplier, provided that such notification occurs during the first year following the Retail Access Date. There shall be no fee for returning to Standard Offer Service.**
- D. A Customer who moves into the Company's service territory after the Retail Access Date is not eligible to receive Standard Offer Service, except that a Low-income Customer who moves into the Company's service territory after the Retail Access Date shall be eligible for Standard Offer Service.**
- E. A Customer who notifies the Company of termination of Generation Service from a public aggregator within one-hundred and eighty (180) days of the date on which such service began shall be eligible to return to Standard Offer Service.**

Service under this rate to any Customer is subject to both the Company's printed requirements, the Company's Terms and Conditions - Distribution Service and the Company's Terms and Conditions - Competitive Suppliers, each as in effect from time to time.

**Issued by: Thomas J. May
President**

**Filed: April 3, 2003
Effective: May 1, 2003**

STANDARD OFFER SERVICE

APPLICABILITY:

Electricity delivered under this Rate Schedule shall be used solely by the Customer on the Customer's own premises for all purposes.

RATE:

The Standard Offer Charge shall consist of the following charge per kWh:

<u>Year</u>	<u>Charge</u>
1998	\$0.02800
1999	\$0.03500
2000	\$0.03800
2001	\$0.03800
2002	\$0.04200
2003	\$0.04700
2004-5	\$0.05100

The foregoing Rate shall be adjusted in accordance with the provisions of the Customer Rate Fuel Adjustment and the Standard Offer Revenue Reconciliation Adjustments described below:

CUSTOMER RATE FUEL ADJUSTMENT:

The Standard Offer Charge in effect for a billing month is multiplied by a Fuel Adjustment that is set equal to 1.0 unless the Market Gas Price plus Market Oil Price for the billing month exceeds the Fuel Trigger Point then in effect, where:

Market Gas Price is the average of the values of Gas Index for the most recent available twelve (12) months through and including the billing month, where:

Gas Index is the average of the daily settlement prices for the last three days that the NYMEX Contract (as defined below) for the month of delivery trades as reported in the Wall Street Journal, expressed in dollars per MMBTU. NYMEX Contract shall mean the

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STANDARD OFFER SERVICE

CUSTOMER RATE FUEL ADJUSTMENT: (continued)

New York Mercantile Exchange Natural Gas Futures Contract as approved by the
Commodity Futures Trading Commission for the purchase and sale of natural gas at Henry
Hub;

Market Oil Price is the average of the values of Oil Index for the most available twelve (12)
months through and including the billing month, where:

Oil Index is the average for the month of the daily low quotations for cargo delivery of 1.0%
sulfur No. 6 residual fuel oil into New York harbor, as reported in Platt's Oilgram U.S.
Marketscan in dollars per barrel and converted to dollars per MMBTU by dividing by 6.3;

If the indices referred to above should become obsolete or no longer suitable, the Distribution
Company shall file alternate indices with the M.D.T.E.

Fuel Trigger Point is the following amounts, expressed in dollars per MMBTU, applicable
for all months in the specified calendar year, with the final year extending from January 1,
2004 through February 28, 2005:

<u>Year</u>	<u>Fuel Trigger Point</u>
2000	\$5.35
2001	\$5.35
2002	\$6.09
2003	\$7.01
2004-5	\$7.74

In the event that the Fuel Trigger Point is exceeded, the Fuel Adjustment value for the billing month
is determined according to the following formula:

$$\text{Fuel Adjustment} = \frac{(\text{Market Gas Price} + \$0.60/\text{MMBTU}) + (\text{Market Oil Price} + \$0.04/\text{MMBTU})}{\text{Fuel Trigger Point} + \$0.60 + \$0.04/\text{MMBTU}}$$

Where Market Gas Price, Market Oil Price and Fuel Trigger Point are as defined above. The
values of \$0.60 and \$0.04/MMBTU represent for gas and oil respectively, estimated basis
differentials or market costs of transportation from the point where the index is calculated to
a proxy power plant in the New England market.

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CUSTOMER RATE FUEL ADJUSTMENT: (continued)

Incremental revenues received by the Company from the application of the Fuel Adjustment shall be fully allocated to Standard Offer Suppliers in proportion to the Standard Offer energy provided by a Supplier to the Company in the applicable billing month.

Effective May 1, 2003, the Standard Offer Service Fuel Adjustment Rate shall be:

\$0.00902 -per kilowatt-hour, provided, however, that the Standard Offer Service Fuel Adjustment for Rates R-2 and R-4, shall be set at a level such that the total Standard Offer Charge (including the Standard Offer Service Fuel Adjustment) shall not exceed the Company's effective Default Service fixed price for the residential class.

STANDARD OFFER REVENUE RECONCILIATION ADJUSTMENTS:

The Company shall reconcile the revenues billed to Customers taking Standard Offer Service against payments to Suppliers of Standard Offer Service and recover or refund any under- or over collection in accordance with the following terms:

- 1. Any revenues billed by the Company for Standard Offer Service in excess of payments to Suppliers of that service shall be accumulated in an account and credited with interest calculated using the methodology for calculating interest on Customer deposits specified in the Company's Terms and Conditions - Distribution Service. The accumulated balance at the end of each calendar year shall be credited to all of the Company's retail Customers through a uniform cents per kilowatt-hour factor in the following year.**
- 2. In the event that the revenues billed by the Company do not recover the Company's payments to Suppliers or the Company defers such expenses, the Company shall be authorized to accumulate the deficiencies in the account together with interest calculated as above and recover those amounts by implementing a uniform cents per kilowatt-hour surcharge on the rates for Standard Offer Service, if and to the extent that the transition charges billed by the Company to its retail Customers are for any reason below the unadjusted transition charge as approved by the Department. Under-recoveries, if any, that remain after the standard offer service period ends shall be recovered from all retail Customers by a uniform surcharge not exceeding \$0.004 per kilowatt-hour commencing after such period.**

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STANDARD OFFER SERVICE

TERMINATION OF STANDARD OFFER SERVICE

Standard Offer Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of Generation Service by a Competitive Supplier is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions - Competitive Suppliers.

If the notice of initiation of Generation Service by the Competitive Supplier is received by the Company fewer than two (2) days before the Customer's next scheduled meter read date, Standard Offer Service shall be terminated concurrent with the Customer's subsequent scheduled meter read date.

There shall be no fee for terminating Standard Offer Service.

BILLING

Each Customer receiving Standard Offer Service shall receive one bill from the Company, reflecting unbundled charges for their electric service.

TERM

Standard Offer Service shall be available until February 28, 2005, unless otherwise approved by the M.D.T.E.

NOTICE

A notice will be filed with the M.D.T.E. setting forth the amount of the applicable Standard Offer Adjustment, the amount of the increase and the effective Standard Offer charge in the Company's rates as adjusted to reflect the new Standard Offer Adjustment amount. The notice shall further specify the effective date of such adjustment, which shall not be earlier than thirty days after the filing of the notice, or such other date as the M.D.T.E. may authorize.

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D.T.E. 00-70
Exhibit 1

NSTAR Services Company		Col#1	Col#41	Col#42	Col#43	Col#44	Col#45	Col#46	Col#47	Col#48	Col#49	Col#50	Col#51	Col#52
Section 1: Adjustment to Distribution Rates														
Process to determine "Fuel Adjustment"														
Step 1: Compute sum of Market Gas Price plus Market Oil Price														
1	Market Gas Price (per Section 2)													
2	Market Oil Price (per Section 3)													
3	Sum													
4														
5														
Step 2: Compute difference between "Fuel Trigger Point" and sum (from Step 1)														
6	Fuel Trigger Point													
7	Sum from Step 1													
8	Difference													
9														
10														
Step 3: Compare Difference to 0														
11	If Difference >= 0 then Step 4, however if Difference < 0 then Step 5													
12														
13														
14	Step 4: "Fuel Adjustment"													
15														
Step 5: Compute "Fuel Adjustment" using Formula														
16	Numerator Components													
17	Sum (per Step 1)													
18	adders													
19	Total Numerator													
20														
21														
22														
Denominator Components														
23	Fuel Trigger Point													
24	adders													
25	Total denominator													
26														
27														
28	"Fuel Adjustment" = Numerator/Denominator													
29														
30	Incremental adj given 4.2 c/kwh (1/1/02 to 12/31/02)													
##	Incremental adj given 4.7 c/kwh (1/1/03 to 12/31/03)													

INSTAR Services Company		Col#1	Col#41	Col#42	Col#43	Col#44	Col#45	Col#46	Col#47	Col#48	Col#49	Col#50	Col#51	Col#52
Section 2: Market Gas Price Detail														
NYMEX Contract for Natural Gas Futures at Henr														
1		Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	
2	1	3.326	3.419	3.347	3.43	2.902	3.617	3.742	4.028	4.26	5.146	5.396	9.137	
3	2	3.457	3.295	3.28	3.449	2.936	3.483	3.494	4.176	4.261	4.962	5.444	9.577	
4	3	3.472	3.27	3.42	3.278	2.976	3.288	3.686	4.126	4.14	4.988	5.66	9.133	
5	4 Monthly average	3.418333	3.328	3.349	3.385667	2.938	3.462667	3.640667	4.11	4.220333	5.032	5.5	9.28233333	
6	5 12 month rolling average	2.992778	2.854833	2.807111	2.810778	2.78975	2.876806	3.022833	3.110306	3.250389	3.437472	3.7305	4.30558333	

NSTAR Services Company		Col#1	Col#41	Col#42	Col#43	Col#44	Col#45	Col#46	Col#47	Col#48	Col#49	Col#50	Col#51	Col#52
Line#		Section 3: Market Oil Price Detail												
		Platt's Oilgram US Marketscan, 1% sulfur No. 6 re												
		Date	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03
6	1	22.75	22.05	22.05	22.05	22.05	24.6	23.25	27.9	24.5	24.4	28.55		
7	2	23.75	21.95	21.95	22.05	22.05	24.75	23.25	27.8	27.4	24.4	29	33.85	40.75
8	3	23.8	22.25	22.25	22.7	21.75	24.75	23.5	27.2	24.4	24.2	29	33	41
9	4	22.9			22.9		24.75	23.75		24	24.4		32.9	41.25
10	5	22.9			22.9		25	24		23.25	24.35	28.9	32.6	43.5
11	6		22.5	23.2	22.3		24.9		26.9	23.25	28.3	33.15	42.7	
12	7		23.9		22.3		24.9		26.5	23.1	27.95			
13	8	23.2	23.5	23.5		21.05	25	24.25	26.25		24.35	28.75		
14	9	23.2	23.5	23.5		21.4	25	24.6	25.55		24.5	29.25	33.15	40.75
15	10	22.4	23.65	23.65	22.4	21.15	25.75	25.75	25.55	23.85	24.65	33.5	38.75	
16	11	21.25			22.15	21.6	25	26	26.5	23.65	25.65	33.25	36	
17	12	20.1			22.35	21.85	25.4	26.5	26.5	22.6	25.95	30	33	33.75
18	13		24.6	25.35	23		25.35		26	22.65	30.75	33	30.75	
19	14		25.35	24.3	23.4		25.35		26.8	22.5	31.75			
20	15	20.7	23.8	23.8		22.4	25.4	26.5	26.8		27.25	32.25		29.75
21	16	21.15	23.7	23.7	23.3	22.4	25.8	26.1	26.8		27.25	32.15		26
22	17	21.75	23.7	23.7	22.5	22.75	25.65	26.25	27	23.25	27.6	33.25	34.5	25
23	18	21.75			22.35	23.15	25.85	26.35		23.2	28.2		34.5	24.75
24	19	21.8			22.25		25.85	26.35	26.5	23.75	28.1	32.15	34.5	23.5
25	20		23.65	23	21.65		25.85		26.5	24.35		32.25		
26	21		23	23		22.6	25.75		26.9	24.5				
27	22	21.75	23	23		22.6	25.65	27.4	25.75		28.8	32.1		
28	23	21.65	22.9	22.9		22.6	25.65	27.7	26.25		28.95	32.75	35.75	24
29	24	21.5	22.9	22.9	22.5	22.6	27.25	27.25	26.3	24.25			37.5	23
30	25	21.45			22.5	22.95	25.75	27.05	26.3	24.4	28.95	33	38.25	23.15
31	26	21.35			22.5	22.95	25.35	27.4	24.9	24.65	28.85	33.35	41.25	24.5
32	27				22.5		25.35		24.6			35.5		
33	28		22.5	22.4			24.5	27.6	25		28.1	35.5		25
34	29	22	22.55	22.55	23.00	23.5	24.85							
35	30	22	22.35	22.35										
36	31		22.75	22.75		24								
37	Monthly average	22.0500	23.1977	22.5425	22.3857	25.2250	25.8500	26.2348	26.5214	31.3786	34.8632	31.5405		
38	12 month rolling average	18.71	18.73	18.92	19.18	19.61	20.10	20.80	21.45	22.30	23.59	25.27	26.29	
39	\$/mmbtu given 6.3 mmbtu/bbl	2.970283	2.972448	3.002835	3.044879	3.112757	3.190799	3.302226	3.405196	3.539181	3.743704	4.010726	4.17300042	

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Exhibit 2